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SUBJECT: HIRING SCANDALS TARNISH CONGRESS'S IMAGE

¶1. (SBU) Summary: A scandal involving the hiring of unqualified technical personnel by Unidad Nacional (UN) parliamentarians has set off a swirl of accusations and caused one UN coalition partner to bolt. At the same time, Congress is considering revoking the immunity of nine (mostly) Peruvian National Party (PNP) representatives for having physically disrupted the past parliament's debate over the Free Trade Agreement (FTA) last June. Many observers suspect that behind these developments lie APRA party machinations intended to weaken its congressional rivals; if so, APRA party leaders may have inflicted broader damage than they intended, and tarnished the image of Congress as a whole. End Summary.

¶2. (SBU) The discovery that several UN parliamentarians had hired staff conspicuously lacking in professional qualifications has caused a public relations scandal for Congress. First came the revelation that UN Congresswoman Elsa Canchaya had hired her family maid as a staffer in her congressional office, for a monthly salary of more than USD 1K. Then came news that UN Congressman Walter Menchola had his girlfriend on his congressional staff payroll, but that she had never showed up to Congress for "work". A flurry of lesser allegations about other UN and opposition members of Congress followed.

¶3. (SBU) In response, the spokesman for the UN congressional grouping, Congressman Javier Bedoya, accused the government and the ruling APRA party of targeting the UN in a deliberate smear campaign. Bedoya insinuated that the government aimed to undermine the UN's hopes to win the election for the presidency of Congress this July. (Bedoya had all but declared himself the UN's candidate for this election.) One UN insider acknowledged to us that the coalition's two parliamentarians had clearly abused their positions and should be sanctioned, but claimed that the APRA had mobilized the national intelligence services to gain sensitive information about UN and other opposition representatives and then used this information for political gain. "That is the APRA way," he said.

¶4. (U) Bedoya also accused Rafael Rey, current Minister of Production and leader of Renovacion Nacional (RN), a fellow UN coalition member, of working in cahoots with the APRA in the smear campaign. Minister Rey expressed outrage at Bedoya's accusations, and in response declared that his party

would formally part from the UN coalition. (Note: The UN coalition was composed of three parties -- Partido Popular Cristiano (PPC), Solidaridad Nacional (SN) and RN. The RN was the smallest of the three parties, with only 2 of the coalition's 17 Congressional representatives. End Note.)

15. (SBU) In parallel with the revelations about the UN, Congress will consider revoking the immunity of nine PNP and UPP representatives -- eight from Peru's Congress and one from the Andean Congress. On May 30, the congressional ethics committee agreed to hear the case. At issue is the alleged illegality of the group's storming of the parliamentary building last June in an attempt to disrupt the past Congress's debate of the Free Trade Agreement. (The group of nine had already been elected to their positions in Congress but had not yet taken up their functions.) PNP Congresswoman from Cuzco Hilaria Supa, one of the nine parliamentarians accused, recently told the Ambassador that she participated in the action in order to represent the views of the many rural and indigenous Peruvians who opposed the FTA and who were unrepresented in the past Congress.

Comment: An APRA Campaign With Unintended Consequences

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16. (SBU) Many observers suspect that APRA machinations are behind calculated revelations and actions that are intended to weaken the ruling party's congressional rivals on both sides of the political spectrum and to ensure it maintains control over Congress, particularly the crucial position of president. If true, and there is some evidence for it, APRA leaders may have inflicted broader damage than they truly intended. For one, the UN coalition, which has strongly supported many of the government's initiatives, has lost a member and is sore at the government about it. Also, the PNP could gain popular support by being seen as the victims of government party politicking and emerge stronger from the ordeal. But most importantly, the image of Congress and of politicians as a whole has plummeted at a time when confidence in public institutions is sorely needed to counteract the latent support for radical solutions in Peru. Nor, as May 31 headlines highlighting an APRA congresswoman's alleged hiring of a phantom assistant suggest, are the scandals likely to spare the APRA for long. In that sense, the blowback in unintended consequences may not prove worth the limited gains.

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